

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Brookline Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: August 18, 2016

This Commission is hereby furnishing you with approval of the funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made bi-monthly between July 1 and December 31 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

This schedule reflects a reduction in the investment return assumption from 7.60% to 7.40% and an adjustment to the fully generational mortality assumption previously adopted.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



SECTION 2: Valuation Results for the Town of Brookline Contributory Retirement System

CHART 16

Fully Funded by 2030 with appropriations increasing 7.85% per year

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of 2003 ERI Liability	(4) Amortization of Remaining Unfunded Liability	(5) Total Plan Cost: (2) + (3) + (4)	(6) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(7) Total Plan Cost % Increase
2017	\$4,470,555	\$4,740	\$15,787,249	\$20,262,544	\$223,979,954	--
2018	4,644,100	4,953	17,204,101	21,853,154	226,180,211	7.85%
2019	4,824,342	5,176	18,739,108	23,568,626	228,051,457	7.85%
2020	5,011,540	5,409	20,401,815	25,418,763	229,998,327	7.85%
2021	5,205,961	5,652	22,202,523	27,414,136	229,296,568	7.85%
2022	5,407,882	5,907	24,152,357	29,566,146	222,887,732	7.85%
2023	5,617,590	6,173	26,263,326	31,887,089	213,894,412	7.85%
2024	5,835,385	6,450	28,548,390	34,390,225	202,008,230	7.85%
2025	6,061,577	6,741	31,021,540	37,089,858	186,831,431	7.85%
2026	6,296,488	7,044	33,697,880	40,001,411	167,922,064	7.85%
2027	6,540,452	7,361	36,593,709	43,141,522	144,789,541	7.85%
2028	6,793,818	7,692	39,726,622	46,528,132	116,889,771	7.85%
2029	7,056,945	8,038	43,115,607	50,180,590	83,619,841	7.85%
2030	7,330,208	8,400	45,101,747	52,440,354	44,312,185	4.50%
2031	7,613,996	--	--	7,613,996	--	-85.48%

Notes: Fiscal 2017 contribution set at budgeted amount.

Contributions are assumed to be paid bimonthly between July 1 and December 31.

Item (2) reflects 3.5% growth in payroll, as well as a 0.15% adjustment to normal cost to reflect the effects of mortality improvement due to generational mortality assumption.

Projected normal cost does not reflect the future impact of pension reform for new hires.

Item (3) increases at 4.50% per year.

Projected unfunded actuarial accrued liability reflects deferred investment losses.